

MEDIA RELEASE

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MEADOW FOODS ATTRACTS FURTHER STRATEGIC INVESTMENT

Meadow Foods, the UK's largest independently owned dairy group supplying added-value ingredients and milks to the food industry, announces that it has attracted strategic investment from Exponent, one of the UK's leading private equity firms. Exponent has acquired Paine Schwartz Partner's full shareholding for an undisclosed sum.

The investment from Exponent will facilitate Meadow Foods' continued strategy to grow the business through both organic expansion and acquisitions having delivered substantial growth under Paine Schwartz, following their initial investment in September 2016. The Chantler family's shareholding in the business will continue.

Since Paine Schwartz's investment, Meadow Foods has made strategic acquisitions in Roil Foods Limited and Fayrefield Liquids, as well as having made significant capital investments into its manufacturing capabilities; increasing capacity on its core lines and enabling the launch of new products such as soft cheese, custard and flavoured yoghurts. With continued investment from Exponent, Meadow Foods aim to explore further opportunities for their producer partners, customers and employees.

Mark Chantler, Chief Executive of Meadow Foods, commented: "This investment marks another step in the growth trajectory of Meadow Foods. Exponent and the management team have a clear vision for what we want to achieve with the company and we're excited to get on and deliver that for the benefit of all the company's stakeholders, suppliers and business partners."

Oliver Bower, Partner at Exponent, adds: "Meadow Foods has matured as a business significantly in recent years and we believe the business is extremely well placed for continued growth. The core fundamentals of a strong management team, good customer relationships and a strong producer base make the business the success it is. We are very excited by this opportunity and look forward to executing the strategy for continued growth."

Dexter Paine, Chairman and a Founding Partner of Paine Schwartz Partners, concludes: “The team at Meadow Foods has delivered the key strategic objectives we set out to achieve when we invested in 2016 and the company is now stronger than ever. We would like to thank the Chantler family and the Meadow Foods management team for being tremendous partners and are very proud of what the company has been able to accomplish during our investment period. We wish the team at Meadow Foods ongoing success and continued growth.”

Meadow Foods was advised by Houlihan Lokey, RPC and KPMG on this investment.

Ends

About Meadow Foods

Meadow Foods is the UK’s largest independently owned dairy group and leading supplier of milk based dairy ingredients to the food industry. Meadow Foods currently handles more than 650 million litres of milk each year direct from over 650 farmer suppliers from across the North of England, Midlands and North & West Wales. The company, founded in 1992, operates from factories in Chester, Peterborough and Holme-on-Spalding Moor and now employs more than 300 people.

About Exponent

Established in London in 2004, Exponent is one of the UK’s leading private equity firms, investing in companies headquartered in the UK and Ireland. Exponent are situational specialists, applying a unique approach to investments across industries to achieve transformational results for investors and management teams. The firm is investing from its £1bn third fund

About Paine Schwartz

A global leader in sustainable food chain investing, Paine Schwartz Partners is a private equity firm that focuses on investment opportunities in the fast-growing, dynamic global food and agribusiness sectors. The firm’s investment, operations and finance professionals invest throughout cycles across the food and agribusiness value chain and bring a collaborative and active management approach to portfolio companies. The firm currently invests through its \$893 million Paine Schwartz Food Chain Fund IV, which is solely dedicated to food and agribusiness investing. For further information, see www.paineschwartz.com.

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